

MARION COUNTY SPECIAL EDUCATION COOPERATIVE

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2018

MARION COUNTY SPECIAL EDUCATION COOPERATIVE

FINANCIAL STATEMENT
Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Marion County Special Education Cooperative
Marion, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Marion County Special Education Cooperative as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by Marion County Special Education Cooperative to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Marion County Special Education Cooperative as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Marion County Special Education Cooperative as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

The 2017 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we have rendered an unmodified opinion dated December 13, 2018. The 2017 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered

December 13, 2018

Marion County Special Education Cooperative

**SUMMARY OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2018**

	<u>Unencumbered Cash Balance July 1, 2017</u>	<u>Prior Year Cancelled Encumbrances</u>
Governmental type funds		
General funds		
General	\$ 293,467	\$ 0
Special revenue funds		
Title VI-B Early Childhood Pass Through	0	0
Title VI-B Pass Through	1,346	0
Infant Toddler Grant, Part C	0	0
Targeted Improvement Plan	0	0
Project Search	<u>46,302</u>	<u>0</u>
	<u>\$ 294,813</u>	<u>\$ 0</u>

The accompanying notes are and integral part of this financial statement.

Statement 1

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance June 30, 2018</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance June 30, 2018</u>
\$ 4,428,770	\$ 4,372,663	\$ 349,574	\$ 102,698	\$ 452,272
17,505	17,505	0	994	994
342,368	473,339	(129,625)	24,379	(105,246)
22,659	24,760	(2,101)	137	(1,964)
21,908	26,637	(4,729)	0	(4,729)
<u>140,744</u>	<u>68,659</u>	<u>118,387</u>	<u>1,069</u>	<u>119,456</u>
<u>\$ 4,973,954</u>	<u>\$ 4,983,563</u>	<u>\$ 331,506</u>	<u>\$ 129,277</u>	<u>\$ 460,783</u>

**Composition of ending cash
Balances on deposit**

Money Market Checking

Cottonwood Valley Bank

\$ 460,283

Petty Cash Checking

Cottonwood Valley Bank

500

\$ 460,783

The accompanying notes are and integral part of this financial statement.

Marion County Special Education Cooperative

NOTES TO FINANCIAL STATEMENT

June 30, 2018

NOTE A. MUNICIPAL REPORTING ENTITY

Marion County Special Education Cooperative of Marion is a municipal corporation governed by an elected five member board, representing each participating district of the inter-local. This financial statement presents the Marion County Special Education Cooperative (the municipality). The Cooperative has no component units.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the Cooperative are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The Cooperative potential could have the following types of funds.

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Marion County Special Education Cooperative of Marion, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

The budget for the Cooperative is submitted to and becomes part of the budget for participating school districts in the Cooperative. All statutory requirements for the publication, public hearings, and adoption of the final budget are accomplished for the Cooperative as part of the budgeting process of the school districts. The Cooperative interlocal is exempt from the budget law (K.S.A. 79-2935). However, the Cooperative does prepare an internal budget which is presented within these financial statements.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds:

Title VI-B Early Childhood Pass Through
Targeted Improvement Plan

Title VI-B Pass Through
Project Search

Infant Toddler Grant, Part C

Marion County Special Education Cooperative

NOTES TO FINANCIAL STATEMENT

June 30, 2018

NOTE D. BUDGETARY INFORMATION – continued

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the Cooperative. The statute requires banks eligible to hold the Cooperative's funds have a main or branch bank in the county in which the Cooperative is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires banks to pledge securities for deposits in excess of FDIC coverage. The Cooperative has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Cooperative's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Cooperative has no investment policy that would further limit its investment choices.

Concentration of credit risk - State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Cooperative has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Cooperative's deposits may not be returned to it. State statutes require the Cooperative's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. Deposits were legally secured at June 30, 2018.

At June 30, 2018 the Cooperative's carrying amount of deposits including cash on hand was \$460,782 and the bank balance was \$696,247. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$442,247 was collateralized with securities held by the pledging financial institutions' agents in the Cooperative's name.

NOTE F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the Cooperative allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Cooperative makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: The Cooperative's policy is to recognize the costs of compensated absences when actually paid. Sick leave is earned at the rate of 12 days per year up to a total accumulation of 75 days for certified employees. Employees are allowed four days of personal leave each year, and any unused leave will be added to sick leave days at the end of the school year. Sick and personal leave are combined into universal leave for the purposes of paying out unused leave. Certified employees shall be paid \$25 per day for each day of unused universal leave in excess of 75 days on completion of their annual contract. Such pay shall be limited to a maximum of 16 days. \$6,825 was paid to certified employees for excess accumulated universal leave at year end.

Marion County Special Education Cooperative

NOTES TO FINANCIAL STATEMENT

June 30, 2018

NOTE F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS – continued

Sick leave is earned at the rate of 12 days per year up to a total accumulation of 75 days for 12 month classified employees. Paraprofessionals are not 12 month employees and receive 10 days per year. Unused sick leave is not paid out for classified employees until retirement. For the year ended June 30, 2018 the board approved the payout of unused sick leave for classified employees retiring as of June 30, 2018 at the rate of \$25 per day.

Additionally, the Cooperative has established an illness and disability pool for certified employees to which employees may donate sick leave to be used by other eligible employees. The illness and disability pool shall accumulate days to a maximum of 250 days.

As of June 30, 2018, the estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

NOTE G. PENSION PLANS

Defined Benefit Pension Plan

Plan description - The Cooperative participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions - K.S.A. 74-4919 and K.S.A. 74-49210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the for Death and Disability Program) was 10.81%, for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate and the statutory contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school Contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

Marion County Special Education Cooperative

NOTES TO FINANCIAL STATEMENT

June 30, 2018

NOTE G: PENSION PLANS – continued

The State of Kansas is required to contribute the statutory required employer's share except for retired Cooperative employees. The Cooperative is responsible for the employer's portion of the cost for retired Cooperative employees. The State paid amounts equal to the statutory contribution rate for June 30, 2018.

Net Pension Liability – At June 30, 2018, the Cooperative's proportionate share of the collective net pension liability reported by KPERS was \$5,054,814. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Cooperative's proportion of the net pension liability was based on the ratio of the Cooperative's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulator basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

NOTE H. RISK MANAGEMENT

The Cooperative is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Cooperative carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE I. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
No transfers			

NOTE J. OTHER INFORMATION

Reimbursed Expenses: The Cooperative records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Contingencies: The Cooperative receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the Cooperative at June 30, 2018.

Marion County Special Education Cooperative

NOTES TO FINANCIAL STATEMENT

June 30, 2018

NOTE J. OTHER INFORMATION - continued

Flexible Benefit Plan (I.R.C. Section 125): The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the Cooperative are eligible to participate in the Plan beginning the first day of their employment. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan. In addition, the Cooperative contributes \$470 per month to the fringe benefit package for health insurance for full time staff covered by the negotiated agreement, \$381 per month for certified staff not covered by the negotiated agreement, and \$400 per month for the director.

As part of the plan, the Cooperative also provides for retirees to remain a part of the existing healthcare group plan. The plan is contributory, with participant's contributions covering 100% of the cost of the healthcare coverage.

Kansas Statute Violations: Based upon Statement 1 it appears that Title VI-B Pass Through, Infant Toddler Grant, and Targeted Improvement Plan all have a negative unencumbered cash and a negative cash balance. This is in violation of state statute. However all three grant has receivables due from the State which covered the negative balances. Management is not aware of any statute violations.

NOTE K. SUBSEQUENT EVENTS

The entity evaluated subsequent events through December 13, 2018, the date the financial statement were available to be issued. No subsequent events were identified which require disclosure.

**REQUIRED
REGULATORY BASIS SUPPLEMENTARY INFORMATION**

Marion County Special Education Cooperative

Schedule 1

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental type funds			
General funds			
General	\$ 4,296,661	\$ 4,372,663	\$ 76,002

Marion County Special Education Cooperative

Schedule 2 - A

GENERAL FUND

**STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance Over (Under)
	2017 Actual	Actual	Budget	
Cash receipts				
Local sources				
District assessments	\$ 1,407,670	\$ 1,566,008	\$ 4,223,975	\$ (2,657,967)
Other				
Interest	263	251	300	(49)
Miscellaneous	23,401	4,762	67,500	(62,738)
State sources				
Special education aid	2,541,105	2,637,432	0	2,637,432
Federal sources				
Medicaid	101,147	220,317	60,000	160,317
Aid Regular	0	0	557,616	(557,616)
Other aid	0	0	65,000	(65,000)
Total cash receipts	<u>4,073,586</u>	<u>4,428,770</u>	<u>\$ 4,974,391</u>	<u>\$ (545,621)</u>
Expenditures				
Instruction				
Salaries				
Certified	1,027,271	992,594	\$ 953,473	\$ 39,121
Non-certified	1,219,623	1,265,136	1,249,340	15,796
Employee benefits				
Insurance	395,536	304,504	337,410	(32,906)
Social security	268,895	164,324	169,633	(5,309)
Other	56,211	58,276	56,435	1,841
Purchased professional and technical services	16,049	1,241	4,400	(3,159)
Purchased Property Services	0	415	400	15
Other purchased services	82,066	39,074	52,000	(12,926)
Supplies	22,622	11,124	12,400	(1,276)
Property	11,035	10,642	11,300	(658)
Other	1,567	0	0	0
Student support services				
Salaries				
Certified	572,518	603,874	569,698	34,176
Noncertified	0	124,619	158,200	(33,581)
Employee Benefit				
Insurance	0	58,245	66,039	(7,794)
Social Security	0	51,982	45,633	6,349
Other	5,355	21,139	15,479	5,660
Purchased professional and technical services	4,000	52,539	51,800	739
Supplies	100,441	9,380	7,300	2,080
Property	1,516	1,518	1,400	118

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 - A

GENERAL FUND

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2018

REGULATORY BASIS

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	2018			
	2017 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
Instructional support staff				
Salaries				
Certified	\$ 26,822	\$ 2,645	\$ 3,750	\$ (1,105)
Non-certified	0	6,829	4,079	2,750
Employee Benefit				
Social Security	0	1,680	0	1,680
Other	0	768	0	768
Purchased professional and technical services	0	18,147	4,200	13,947
Other purchased services	(119)	9,858	12,500	(2,642)
Supplies	13,361	0	0	0
General administration				
Salaries				
Certified	143,023	159,218	159,218	0
Non-certified	126,390	73,039	71,111	1,928
Employee Benefit				
Insurance	0	21,572	30,494	(8,922)
Social Security	0	17,930	17,148	782
Other	0	3,674	3,319	355
Purchased professional and technical services	21,300	40,737	26,100	14,637
Other purchased services	24,229	18,968	8,625	10,343
Supplies	31,171	5,120	3,500	1,620
Property	0	3,699	500	3,199
Other	254	1,235	6,100	(4,865)
Central Services				
Salaries				
Non-certified	0	56,015	46,249	9,766
Employee Benefit				
Insurance	0	4,513	0	4,513
Social Security	0	4,044	0	4,044
Other	0	49	0	49
Purchased professional and technical services	0	0	250	(250)
Property	0	22,459	23,000	(541)
Other purchased services	0	107	0	107
Supplies	0	17,869	12,500	5,369
Operations and maintenance				
Salaries				
Non-certified	23,654	25,440	24,073	1,367
Employee benefits				
Insurance	0	0	349	(349)
Social Security	0	1,946	1,493	453
Other	1,586	2,617	2,617	0
Purchased property services				

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 - A

GENERAL FUND

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2018

REGULATORY BASIS

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		2018		Variance Over (Under)	
	2017 Actual	Actual	Budget		
Expenditures - continued					
Water/Sewer	\$ 0	\$ 3,893	\$ 1,500	\$ 2,393	
Cleaning	63	0	1,400	(1,400)	
Repairs and maintenance	8,368	6,821	1,000	5,821	
Grounds Maintenance	0	383	0	383	
Vehicle Maintenance	0	1,043	0	1,043	
Other purchased services	0	16,205	15,700	505	
Supplies	2,864	10,023	2,250	7,773	
Energy					
Heating	0	0	6,750	(6,750)	
Electricity	0	0	6,750	(6,750)	
Student transportation services - supervision					
Salaries					
Certified	0	37,873	0	37,873	
Non-certified	36,307	0	30,526	(30,526)	
Employee benefits					
Insurance	0	497	443	54	
Social Security	1,148	3,393	1,893	1,500	
Other	1,122	42	3,319	(3,277)	
Supplies	0	1,104	0	1,104	
Vehicle service and maintenance					
Purchased property services	697	0	0	0	
Other student transportation services					
Supplies	675	0	1,000	(1,000)	
Other supplemental services					
Other	835	582	415	167	
Supplies	0	0	200	(200)	
Legal general fund budget and expenditures	4,248,455	4,372,663	4,296,661	76,002	
Adjustments for qualifying budget credits	0	0	0	0	
Total expenditures	<u>4,248,455</u>	<u>4,372,663</u>	<u>\$ 4,296,661</u>	<u>\$ 76,002</u>	
 Receipts over (under) expenditures	(174,869)	56,107			
 Unencumbered cash, July 1	<u>468,336</u>	<u>293,467</u>			
 Unencumbered cash, June 30	<u>\$ 293,467</u>	<u>\$ 349,574</u>			

See Independent Auditor's Report.

Marion County Special Education Cooperative**Schedule 2 -B****SPECIAL PURPOSE FUNDS
TITLE VI-B EARLY CHILDHOOD PASS THROUGH****STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Cash receipts		
Federal sources		
Grants	\$ <u>17,479</u>	\$ <u>17,505</u>
Expenditures		
Instruction		
Salaries		
Certified	17,479	16,263
Employee benefits		
Social Security	0	1,226
Other	<u>0</u>	<u>16</u>
Total expenditures	<u>17,479</u>	<u>17,505</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 - C

SPECIAL PURPOSE FUNDS
TITLE VI-B PASS THROUGH

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Federal sources		
Grants	\$ 460,501	\$ 342,368
Expenditures		
Instruction		
Salaries	459,155	440,514
Certified		
Employee benefits		
Social Security	0	32,429
Other	<u>0</u>	<u>396</u>
Total expenditures	<u>459,155</u>	<u>473,339</u>
Receipts over (under) expenditures	1,346	(130,971)
Unencumbered cash, July 1	<u>0</u>	<u>1,346</u>
Unencumbered cash, June 30	\$ <u><u>1,346</u></u>	\$ <u><u>(129,625)</u></u>

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 -D

SPECIAL PURPOSE FUNDS
INFANT TODDLER GRANT, PART C

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
State sources		
Grants	\$ 29,300	\$ 22,659
Total receipts	<u>29,300</u>	<u>22,659</u>
Expenditures		
Instruction		
Salaries		
Certified	11,300	17,510
Employee benefits		
Social Security	0	737
Other	0	17
Support Services		
Salaries	15,582	5,000
Employee benefits		
Social Security	0	382
Other	0	5
Parent mileage	360	0
Other	<u>2,058</u>	<u>1,109</u>
Total expenditures	<u>29,300</u>	<u>24,760</u>
Receipts over (under) expenditures	0	(2,101)
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>(2,101)</u></u>

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 - E

SPECIAL PURPOSE FUNDS
TARGETED IMPROVEMENT PLAN

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Federal sources		
Grants	\$ 26,637	\$ 21,908
Expenditures		
Instruction		
Salaries		
Certified	3,758	5,778
Employee benefits		
Social Security	0	425
Other	0	5
Instructional support staff		
Employee benefits		
Social Security	0	113
Other	0	100
Purchased professional and technical services	11,303	11,803
Supplies	0	1,253
Other purchased services	11,576	0
Central Services		
Purchased property services	0	5,160
Other purchased services	<u>0</u>	<u>2,000</u>
Total expenditures	<u>26,637</u>	<u>26,637</u>
Receipts over (under) expenditures	0	(4,729)
Unencumbered cash (deficit), July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>(4,729)</u></u>

See Independent Auditor's Report.

Marion County Special Education Cooperative

Schedule 2 - F

SPECIAL PURPOSE FUNDS
PROJECT SEARCH

STATEMENT OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Cash receipts		
Federal sources		
Grants	\$ 62,376	\$ 140,300
Donations	<u>10,974</u>	<u>444</u>
Total receipts	<u>73,350</u>	<u>140,744</u>
Expenditures		
Instruction		
Salaries		
Certified	7,266	40,345
Non-certified	0	14,027
Employee benefits		
Social Security	0	4,130
Other	0	668
Supplies	0	3,484
Training	16,000	0
Travel	2,432	0
Registration	1,350	0
Instructional support staff		
Purchased professional and technical services	0	4,588
General administration		
Supplies	<u>0</u>	<u>1,417</u>
Total expenditures	<u>27,048</u>	<u>68,659</u>
Receipts over (under) expenditures	46,302	72,085
Unencumbered cash (deficit), July 1	<u>0</u>	<u>46,302</u>
Unencumbered cash, June 30	\$ <u><u>46,302</u></u>	\$ <u><u>118,387</u></u>

See Independent Auditor's Report.